

## Message Text

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72

ACTION EB-11

INFO OCT-01 EA-11 ADP-00 AID-20 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 SCEM-02 CIAE-00

INR-10 NSAE-00 RSR-01 /095 W

----- 110296

R 010959Z AUG 73

FM AMEMBASSY SAIGON

TO USDOC WASHDC

INFO SECSTATE WASHDC 5408

UNCLAS SAIGON 13867

E.O. 11652: N/A

TAGS: BFOL, ENRG, VS

SUBJECT: PETROLEUM REFINERY PROJECTS

REF : (A) STATE A-4458, (B) USDOC 10200

1. ONLY OIL REFINERY PROJECT THAT HAS BEEN UNDER SERIOUS CONSIDERATION IS ONE MENTIONED IN REFERENCE A--CONG-TY LOC DAU VIETNAM (VIETNAM REFINING CO.). ORIGINAL PROJECT REVISED IN 1972. PROPOSED CAPACITY IS NOW 67,000 B/D EXPANDABLE TO 120,000 D/D. GVN WOULD HAVE INITIALLY 35 PERCENT OF EQUITY WITH POSSIBLE MAXIMUM OF 49 PERCENT LATER. REMAINING SHARES WOULD BE HELD BY OIL MARKETING FIRMS IN VIETNAM: SHELL, ESSO AND CALTEX. THESE FIRMS PREFER TO DEFER CONSTRUCTION OF OIL REFINERY, POINTING OUT AMONG OTHER THINGS LACK OF OPIC COVERAGE. GVN WOULD LIKE TO HAVE REFINERY NOW, BUT CANNOT PROCEED WITH PROJECT WITHOUT COOPERATION OF OIL COMPANIES. NO ACTION IS EXPECTED ON THIS PROJECT UNTIL THERE IS IMPROVEMENT IN INVESTMENT CLIMATE.

2. COST OF 67,000 B/D PLANT WAS ESTIMATED IN JULY 1972 AT \$100 MILLION PLUS OR MINUS 10 PERCENT. SOURCES OF FINANCING WOULD BE QUITY CAPITAL PLUS LAONS ARRANGED BY OIL COMPANIES AND/OR GVN. PRE-FEASIBILITY STUDY WAS DONE BY ESSO ENGINEERING AND RESEARCH.

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3. NAMES OF KEY OFFICIALS IN PROGRAM ARE AS FOLLOWS:

- A) CHAIRMAN OF BOARD OF VIETNAM REFINING CO. - MINISTER  
OF PLANNING AND NATIONAL DEVELOPMENT, 244 PHAN THANH  
GIAN, SAIGON
- B) GENERAL MANAGER OF VIETNAM REFINING CO. - EDWIN P.  
KETCHUM, GENERAL MANAGER, ESSO EASTERN INC., VIETNAM/  
CAMBODIA DIVISION, 8 THONG NHUT, SAIGON.

4. PROBABLE SOURCES OF THIRD COUNTRY COMPETITION WOULD BE  
JAPANESE AND THAI. BOTH GROUPS HAVE SUBMITTED REFINERY PROPOSALS  
WITHIN PAST 18 MONTHS BUT NOTHING HAS DEVELOPED TO DATE.  
MARTIN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, REFINERIES, INVESTMENT PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 AUG 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1973SAIGON13867  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Reference:** 73 STATE A-4458  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** willialc  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 JAN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09-Jan-2002 by reddocgw>; APPROVED <08 FEB 2002 by willialc>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PETROLEUM REFINERY PROJECTS  
**TAGS:** ENRG, VS  
**To:** n/a  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005